



BILLING CODE: 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

A-570-904

Certain Activated Carbon from the People's Republic of China: Notice of Court Decision Not in Harmony with Final Results of Administrative Review and Notice of Amended Final Results

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Court of International Trade (CIT or Court) sustained the Department of Commerce's (the Department's) second remand results pertaining to the sixth administrative review of the antidumping duty order on certain activated carbon from the People's Republic of China (PRC) covering the period of April 1, 2012, through March 31, 2013. The Department is notifying the public that the final judgment in this case is not in harmony with the final results of the administrative review, and that the Department is amending the final results.

DATES: Effective Date: February 6, 2017

FOR FURTHER INFORMATION CONTACT: Robert Palmer, AD/CVD Operations Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-9068.

### SUPPLEMENTARY INFORMATION:

#### Background

On November 25, 2014, the Department issued *AR6 Final Results*.<sup>1</sup> The petitioners<sup>2</sup> and

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<sup>1</sup> Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2012-2013, 79 FR 70163 (November 25, 2014) (*AR6 Final Results*) and accompanying Issues and Decisions Memorandum (IDM).

Carbon Activated Corporation (Carbon Activated), a U.S. importer of subject merchandise, challenged certain aspects of *AR6 Final Results*. The petitioners challenged the Department's final results regarding the surrogate value (SV) used to value the mandatory respondents'<sup>3</sup> anthracite coal. Carbon Activated challenged several aspects of the Department's final results as they pertained to Shanxi DMD Corporation (Shanxi DMD), which supplied Carbon Activated's imports of subject merchandise and was found to be part of the PRC-wide entity in *AR6 Final Results*. On January 20, 2016, the Court in *Calgon I* remanded the Department's *AR6 Final Results* and instructed the Department to reconsider its selection of the anthracite coal SV, and directed the Department to "assign Shanxi DMD the all-others rate."<sup>4</sup>

On May 25, 2016, the Department filed Remand I with the Court.<sup>5</sup> Based on *Calgon I*, which had ordered the Department to "reconsider its selection of an SV for anthracite coal" in *AR6 Final Results*, and based on the Department's finding that there were multiple SVs of equal reliability for anthracite coal on the record, the Department determined to select the anthracite coal SV based on which secondary surrogate country was the most significant producer of comparable merchandise.<sup>6</sup> As a result of relying on significant production of comparable merchandise in Remand I, the Department valued anthracite coal using contemporaneous SV data from Thailand.<sup>7</sup> Accordingly, the margins for Cherishmet and Jacobi (the mandatory respondents) were revised to \$0.52/kilogram (kg) and to \$0.51/kg, respectively.<sup>8</sup>

Additionally, we recalculated the margin for those separate rate companies whose entries

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<sup>2</sup> Calgon Carbon Corporation and Cabot Norit Americas (collectively, the petitioners).

<sup>3</sup> The mandatory respondents are Jacobi Carbons AB (Jacobi) and Ningxia Guanghai Cherishmet Activated Carbon Co., Ltd. (Cherishmet).

<sup>4</sup> See *Calgon Carbon Corp. v. United States*, 145 F. Supp. 3d 1312, 1322-23, 1326-29 (CIT 2016) (*Calgon I*).

<sup>5</sup> See *Calgon Carbon Corp. et al. v. United States*, Consol. Court No. 14-00326, Slip Op. 16-4, Final Results Of Redetermination Pursuant To Court Remand, dated May 25, 2016, (Remand I).

<sup>6</sup> See Remand I at 15-17, 31-36.

<sup>7</sup> *Id.* at 15-17, 31-35.

<sup>8</sup> *Id.* at 49.

were subject to this litigation using the same method we used in *AR6 Final Results*.<sup>9</sup> Thus, we calculated a weighted-average margin of \$0.51/kg based on the publicly ranged U.S. sales quantities of the mandatory respondents.<sup>10</sup> The separate rate companies that received this revised rate in Remand I were: 1) Calgon Carbon (Tianjin) Co., Ltd. (Calgon Tianjin); 2) Datong Juqiang Activated Carbon Co., Ltd. (Juqiang); 3) Datong Municipal Yunguang Activated Carbon Co., Ltd. (Yunguang); 4) Jilin Bright Future Chemicals Company, Ltd. (Jilin Bright); 5) Ningxia Huahui Activated Carbon Co., Ltd. (Huahui); 6) Ningxia Mineral and Chemical Limited (Ningxia Mineral); 7) Shanxi Sincere Industrial Co., Ltd. (Sincere); and 8) Tianjin Channel Filters Co., Ltd. (Tianjin Channel).<sup>11</sup> Finally, in Remand I, and under protest, the Department assigned Shanxi DMD the separate rate of \$0.51/kg, which the Department explained “will pertain to entries during the period of review that were exported from the PRC to the United States by Shanxi DMD and imported by Carbon Activated.”<sup>12</sup>

On November 18, 2016, the Court in *Calgon II* sustained the Department’s assignment of a separate rate to Shanxi DMD, but again remanded to the Department its SV selection for anthracite coal.<sup>13</sup> Although the Court in *Calgon II* held that the Department’s “finding that the Thai SV is reliable{,} is reasonable and supported by substantial evidence,”<sup>14</sup> the Court nonetheless found that the Department’s determination to select significant production over import volumes as the methodology for selecting the anthracite coal SV was not supported by

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<sup>9</sup> *Id.* at 50-51. Specifically, in *AR6 Final Results*, we calculated the separate rate by using the ranged total sales quantities reported by the mandatory respondents from the public versions of their submissions to calculate a weighted-average margin because we found that methodology is more appropriate than calculating a simple average of the mandatory respondents’ margins. *See AR6 Final Results*, 79 FR at 70164.

<sup>10</sup> *See* Remand I at 50-51.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 17-20, 49-50, 51. The Department also explained that, although the Court ordered the Department to assign Shanxi DMD the “all-others rate,” the Department assigned Shanxi DMD the separate rate because “the Department understands the Court as ordering the assignment of the separate rate to Shanxi DMD.” *Id.* at 19-20.

<sup>13</sup> *See Calgon Carbon Corp. v. United States*, Consol. Court No. 14-00326, Slip Op. 16-107 (CIT November 18, 2016) (*Calgon II*).

<sup>14</sup> *Id.* at 23.

substantial evidence. As a result, the Court remanded the matter and ordered the Department “to reconsider its selection of an SV for anthracite coal, . . . by either further explaining its selection methodology and basing that explanation on the record evidence or by choosing its other selection methodology based on import volume.”<sup>15</sup>

On January 3, 2017, the Department filed Remand II with the Court.<sup>16</sup> The Department relied on the quantity of imports of anthracite coal to select a SV among the potential SV sources for that input that are equally reliable. As a result, the Department revised its SV choice and relied on a SV from South Africa to value the mandatory respondents’ anthracite coal factor of production.<sup>17</sup> Consequently, Cherishmet’s<sup>18</sup> and Jacobi’s<sup>19</sup> final margins were revised to \$0.28/kg and \$0.18/kg, respectively.<sup>20</sup> The separate rate was revised to \$0.22/kg for: 1) Calgon Tianjin; 2) Juqiang; 3) Yunguang; 4) Jilin Bright; 5) Huahui; 6) Ningxia Mineral; 7) Sincere; and 8) Tianjin Channel.<sup>21</sup> The Department used the same methodology for calculating the separate rate that was used in *AR6 Final Results* and Remand I, discussed above. Finally, because the

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<sup>15</sup> *Id.* at 24-32.

<sup>16</sup> See *Calgon Carbon Corp. et al. v. United States*, Consol. Court No. 14-00326, Slip Op. 16-107, Final Results of Redetermination Pursuant to Court Remand, dated December 29, 2016 (Remand II).

<sup>17</sup> *Id.* at 5-6.

<sup>18</sup> In the first administrative review, the Department found that Beijing Pacific Activated Carbon Products Co., Ltd., Ningxia Guanghua Cherishmet Activated Carbon Co., Ltd., and Ningxia Guanghua Activated Carbon Co., Ltd. should be treated as a single entity pursuant to 19 CFR 351.401(f), and, because there were no changes to the facts which supported that decision, we continued to find these companies to be part of a single entity in subsequent reviews. Because there have been no changes to the facts that supported that decision in *AR6 Final Results*, we continued to treat the companies as a single entity in Remand II as well, as we did in Remand I. See *Certain Activated Carbon from the People’s Republic of China: Notice of Preliminary Results of the Antidumping Duty Administrative Review and Extension of Time Limits for the Final Results*, 74 FR 21317, 21319 (May 7, 2009), unchanged in *First Administrative Review of Certain Activated Carbon from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review*, 74 FR 57995, 57998 (November 10, 2009).

<sup>19</sup> In the third administrative review, the Department found that Jacobi, Tianjin Jacobi International Trading Co. Ltd., and Jacobi Carbons Industry (Tianjin) should be treated as a single entity pursuant to 19 CFR 351.401(f), and, because there were no changes to the facts which supported that decision, we continued to find these companies part of a single entity in the fourth and fifth administrative reviews. Because there have been no changes to the facts that supported that decision in *AR6 Final Results*, we continued to treat the companies as a single entity in Remand II as well, as we did in Remand I. See *Certain Activated Carbon from the People’s Republic of China: Final Results and Partial Rescission of Third Antidumping Duty Administrative Review*, 76 FR 67142, 67145 n.25 (October 31, 2011); see also *Certain Activated Carbon from the People’s Republic of China: 2010-2011; Final Results of Antidumping Duty Administrative Review*, 77 FR 67337, 67338 n.22 (November 9, 2012).

<sup>20</sup> See Remand II at 6-7.

<sup>21</sup> See Remand II at 8.

Court held in *Calgon II* that “any resulting changes to the value of the separate rate should be reflected in the rate ultimately assigned to Shanxi DMD,”<sup>22</sup> the Department assigned Shanxi DMD the revised separate rate of \$0.22/kg, “which will only pertain to entries during the period of review that were exported from the People’s Republic of China (‘PRC’) to the United States by Shanxi DMD and imported by Carbon Activated.”<sup>23</sup> On January 27, 2017, the Court sustained Remand II in *Calgon III*.<sup>24</sup>

#### Timken Notice

In its decision in *Timken*,<sup>25</sup> as clarified by *Diamond Sawblades*,<sup>26</sup> the Court of Appeals for the Federal Circuit held that, pursuant to section 516A(e) of the Tariff Act of 1930, as amended (the Act), the Department must publish a notice of a court decision that is not “in harmony” with a Department determination and must suspend liquidation of entries pending a “conclusive” court decision. The Court’s January 27, 2017, judgment in *Calgon III* constitutes a final decision of the Court that is not in harmony with the Department’s *AR6 Final Results*. This notice is published in fulfillment of the publication requirement of *Timken*. Accordingly, the Department will continue the suspension of liquidation of the subject merchandise at issue pending expiration of the period to appeal or, if appealed, a final and conclusive court decision.

#### Amended Final Results

Because there is now a final court decision, the Department amends *AR6 Final Results* with respect to the companies identified below. Based on Remand II, as affirmed by the Court in

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<sup>22</sup> See *Calgon II* at 8-9.

<sup>23</sup> See Remand II at 8-9.

<sup>24</sup> See *Calgon Carbon Corp. v. United States*, Consol. Court No. 14-00326, Slip Op. 17-6 (CIT January 27, 2017) (*Calgon III*).

<sup>25</sup> See *Timken Co. v. United States*, 893 F.2d 337, 341 (Fed. Cir. 1990) (*Timken*).

<sup>26</sup> See *Diamond Sawblades Mfrs. Coalition v. United States*, 626 F.3d 1374 (Fed. Cir. 2010) (*Diamond Sawblades*).

*Calgon III*, the revised weighted-average dumping margins for the companies listed below during the period April 1, 2012, through March 31, 2013, are as follows:

Exporter	Weighted-Average Dumping Margins (Dollars Per Kilogram) <sup>27</sup>
Jacobi Carbons AB	0.18
Ningxia Guanghua Cherishmet Activated Carbon Co., Ltd.	0.28
Calgon Carbon (Tianjin) Co., Ltd.	0.22
Datong Juqiang Activated Carbon Co., Ltd.	0.22
Datong Municipal Yunguang Activated Carbon Co., Ltd.	0.22
Jilin Bright Future Chemicals Company, Ltd.	0.22
Ningxia Huahui Activated Carbon Co., Ltd.	0.22
Ningxia Mineral and Chemical Limited	0.22
Shanxi DMD Corporation <sup>28</sup>	0.22
Shanxi Sincere Industrial Co., Ltd.	0.22
Tianjin Channel Filters Co., Ltd.	0.22

In the event that the CIT's rulings are not appealed or, if appealed, are upheld by a final and conclusive court decision, the Department will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on unliquidated entries of subject merchandise based on the revised dumping margins listed above.

<sup>27</sup> In the second administrative review, the Department determined that it would calculate per-unit assessment and cash deposit rates for all future reviews. *See Certain Activated Carbon from the People's Republic of China: Final Results and Partial Rescission of Second Antidumping Duty Administrative Review*, 75 FR 70208, 70211 (November 17, 2010); *see also AR6 Final Results*, 79 FR at 70165 n.29.

<sup>28</sup> As discussed above, this rate “will only pertain to entries during the period of review that were exported from the People’s Republic of China (‘PRC’) to the United States by Shanxi DMD and imported by Carbon Activated.” *See Remand II* at 8-9.

### Cash Deposit Requirements

Because there have been subsequent administrative reviews for the companies identified above, the cash deposit rates will remain the rates established in the most recently-completed *AR8 Final Results*, which are \$1.76/kg and \$0.02 for Jacobi and Juqiang, respectively, and \$1.36/kg for Calgon Tianjin, Cherishmet, Yunguang, Jilin Bright, Huahui, Ningxia Mineral, Sincere, Shanxi DMD, and Tianjin Channel.<sup>29</sup>

### Notification to Interested Parties

This notice is issued and published in accordance with sections 516A(e)(1), 751(a)(1), and 777(i)(1) of the Act.

Dated: February 6, 2017.

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Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

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<sup>29</sup> See Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2014-2015, 81 FR 62088, 62089 (September 8, 2016).

